

**Internal Revenue Service**

Appeals Office

4330 Watt Avenue SA 7890

Sacramento CA 95821-7012

Date: JAN 30 2017

Number: 201717048

Release Date: 4/28/2017

**Certified Mail**

**Department of the Treasury**

**Employer Identification Number:**

**Person to Contact:**

Name

Employee ID Number:

Tel:

Fax:

UIL: 501.03-05

501.03-08

501.03-24

501.36-01

Dear

This is a final adverse determination that you do not qualify for exemption from Federal income tax under Internal Revenue Code (the "Code") section 501(a) as an organization described in Code section 501(c)(3).

The adverse determination was made for the following reason(s):

You are not described in section 501(c)(3) of the Code because you have failed to establish that you operate exclusively for exempt purposes, including charitable, scientific and educational purposes within the meaning of sections 1.501(c)(3)-1(d)(i)(b), (c) and (f).

Contributions to your organization are not deductible under section 170 of the Code.]

You are required to file Federal income tax returns on Forms 1120. File your return with the appropriate Internal Revenue Service Center per the instructions of the return. For further instructions, forms, and information please visit [www.irs.gov](http://www.irs.gov).

We will make this letter and the proposed adverse determination letter available for public inspection under Code section 6110 after deleting certain identifying information. We have provided to you, in a separate mailing, Notice 437, *Notice of Intention to Disclose*. Please review the Notice 437 and the documents attached that show our proposed deletions. If you disagree with our proposed deletions, follow the instructions in Notice 437.

If you decide to contest this determination, you may file an action for declaratory judgment under the provisions of section 7428 of the Code in one of the following three venues: 1) United States Tax Court, 2) the United States Court of Federal Claims, or 3) the United States District Court for the District of Columbia. A petition or complaint in one of these three courts must be filed within 90 days from the date this determination letter was mailed to you. Please contact the clerk of the appropriate court for rules and the appropriate forms for filing petitions for declaratory judgment by referring to the enclosed Publication 892. You may write to the courts at the following addresses:

United States Tax Court  
400 Second Street, NW  
Washington, DC 20217

US Court of Federal Claims

717 Madison Place, NW  
Washington, DC 20005

U. S. District Court for the District of Columbia  
333 Constitution Ave., N.W.  
Washington, DC 20001

Processing of income tax returns and assessments of any taxes due will not be delayed should a petition for declaratory judgment be filed under section 7428 of the Code.

You also have the right to contact the office of the Taxpayer Advocate. Taxpayer Advocate assistance is not a substitute for established IRS procedures, such as the formal appeals process. The Taxpayer Advocate cannot reverse a legally correct tax determination, or extend the time fixed by law that you have to file a petition in a United States Court. The Taxpayer Advocate can, however, see that a tax matter that may not have been resolved through normal channels get prompt and proper handling. If you want Taxpayer Advocate assistance, please contact the Taxpayer Advocate for the IRS office that issued this letter. You may call toll-free, 1-877-777-4778, for the Taxpayer Advocate or visit [www.irs.gov/advocate](http://www.irs.gov/advocate) for more information.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,

*Joseph K. Phegley*

Joseph K. Phegley  
Appeals Team Manager

Enclosure: Publication 892



Department of the Treasury  
Internal Revenue Service  
P.O. Box 2508  
Cincinnati, OH 45201

Date: **9/22/2015**

Employer ID number:

Contact person/ID number:

Contact telephone number:

Contact fax number:

**Legend:**

B = business 1  
C = year 1  
D = year 2  
F = year 3  
J = business 2  
K = business 3  
L = license 1  
M = license 2  
R = date  
S = event  
U = business 4  
W = business 5  
X = state code  
Y = business 6  
Z = state  
e dollars = dollar amount  
g dollars = dollar amount  
h = number  
n = number

UIL: 501.03-05  
501.03-08  
501.03-24  
501.36-01

Dear \_\_\_\_\_ :

We considered your application for recognition of exemption from federal income tax under Section 501(a) of the Internal Revenue Code (the Code). Based on the information provided, we determined that you don't qualify for exemption under Section 501(c)(3) of the Code. This letter explains the basis for our conclusion. Please keep it for your records.

**Issues**

Do you meet the operational test for exemption under section 501(c)(3) of the Internal Revenue Code? No, for the reasons below:



## Facts

You were formed as a corporation on R in the state of Z. The third article in your Articles of Incorporation provides that your primary and specific purposes are to operate exclusively for charitable, educational, and scientific purposes. The third article also states you were formed for the following more specific purposes:

- To encourage, support, and advance the education of \_\_\_\_\_ and software federalization to professional and hobbyist software developers in central Z;
- To encourage, support, and advance the education of the free and open source Y application to professional and hobbyist software developers in central Z;
- To provide resources for sharing information about Y and other \_\_\_\_\_ ; and
- To work with similar groups at the statewide, national, and international level in order to promote the same educational goals.

Article II of your Bylaws states you were formed exclusively for educational, scientific, research, and other similar nonprofit purposes. Article III of your Bylaws states that your purpose is, "dedicated to foster and support the development of, access to, and adoption of Y as an open source \_\_\_\_\_."

Article III of your Bylaws states that your mission is:

- a. To solicit grants and other funding to permit the development and refinement of the Y software;
- b. To engage in the development, adoption, and propagation of Y throughout educational, corporate, and personal \_\_\_\_\_ endeavors;
- c. To engage in and encourage the development of free and open standards for the collaboration and federalization between and among disparate \_\_\_\_\_ and softwares;
- d. To engage in such activities permitted under the X or beneficial to the foregoing purposes; and
- e. To serve as an effective voice for Y, its community, and its related technologies.

Article IV of your Bylaws states that your membership is open to individuals and organizations with programs and missions that are consistent with the purpose of Y. Your membership may include colleges and universities, research and development centers, membership organizations, nonprofit organizations, and for-profit organizations.

You have a Developer Involvement Policy to distinguish Y's technical development from its social, economical, educational, and other developments. The policy states that you have a development team that shall be a permanent standing committee and shall consist of a lead developer and all core contributors. The development team is responsible for the development, maintenance, and evaluation



of all source code and applications used by or in the Y software. The lead developer will be decided by a joint two-thirds majority vote of the development team and the board and shall serve as the primary organizer and manager of the development team. Article VII, Section 4, of your Bylaws states that the lead developer for the Y project shall serve on the board of directors. Article IV, Section 1, of your Developer Involvement Policy states that the lead developer cannot be removed from the board through any act of the board of directors, foundation membership, or development team.

Your Developer Involvement Policy provides information about copyrights and licenses. Article III indicates that copyright for the Y source code is shared among current and previous developers and entities. Article III, Section 1b states, "When a member of the Development Team submits a significant body of work as defined by United States Copyright Law and determined by the Lead Developer with majority approval of the Board, he or she becomes a joint copyright holder of Y." As for licensing, Article III, Section 2a, of the policy states that Y shall be released under the L and M license.

You also submitted a document called Special Dispensation for Board Membership, the purpose of which is to award special dispensation to certain board members to allow adequate representation for those individuals and organizations who have supported and sponsored Y before your creation. Therefore, a single representative nominated by W or U shall be secured a position on the Board at all times.

The initial Y software was owned by W based in the . W owned the trademarks to the Y name, the copyright in and to the Y logo, and the copyright in and to the original version of the Y source code. W was later acquired by U, also based in the , and the intellectual property was transferred to U. You now have a perpetual license to use the based Y trademarks as well as the Y.org domain which is now controlled by you. There are no federally registered US based trademarks in or to the Y name or logo.

W provided financial sponsorship to Y for years and per the above mentioned Special Dispensation document supports your ideals and philosophies. One of your directors was previously a lead developer at W

U is listed as one of your founding members and supporters. U creates to help businesses engage with communities. One of your directors currently co-owns U; this individual is also the representative of U on your board.

You state your mission is purely scientific and educational. Your purpose is

to educate the public about use of Y, a Free and Open source Software (FOSS) project, as a computer science and an educational subject of study; to promote Y as an area of academic study in computer science; and to provide educational conferences for anyone and everyone, regardless of background, interested in Y's use and development.

Y is a Free and Open source software (FOSS) project that is available to any person or organization for free. It is licensed for commercial or non-commercial use under the L, or at the licensee's choice, the M. Under the L, neither the source code nor operational software may be sold or transferred for a



fee (other than a nominal fee for distribution, which you do not charge), nor may the source code be modified or incorporated into commercial software to be sold. Under the M, any organization may charge for the software or offer it for free. You will not charge for Y. As a result, Y is used by a wide range of organizations including schools, government organizations, corporations, and non-profit organizations.

You hold regular events and conferences open to the public free or for a nominal fee as well as maintaining online resources to educate about Y's uses, installation, operation, maintenance and development. These will occur domestically and internationally as needed.

Your primary event is an . Your announcement for the states the event is hosted by you and B. B are listed as Y specialists – on Y themes, plugins and sites from scratch. B provides flexible and scalable solutions for organizations, groups and individuals. The purpose of each is to connect users and developers of Y in a central, physical location and to foster ideas for Y's wider use and development. Each is designed to foster communication regarding the future of the software, to provide educational presentations and group development sessions, and to showcase and promote the use of Y as a free and successful across a variety of fields. Each is designed to provide useful and engaging information to technical and non-technical members of the public who are interested in using or developing Y. Each offers , and are staffed by volunteers from you, the Y community, and your core development team (also volunteers). You also promote S which are more frequent and are also staffed by volunteers. The S have similar purposes to the but are less formal and allow attendees to help determine the course and subject of the S. You state,

By educating both users and developers of free software, (your) purpose benefits not only the individuals who attend its educational programs, but all users of Y-based and the community generally by improving the availability and quality of the Y software itself and of the free that are powered by the free Y software.

You also maintain free online resources to educate the general public about Y including its uses, installation, operation, maintenance, and continued development.

As part of your fundraising, you to several that specialize in hosting Y-based . The do not pay you . However, you have agreements with them where you receive a commission for each sale they receive . You submitted several Affiliate Program Agreements showing your relationship with these . The first agreement with K states that as an affiliate website of K you may choose to use various forms of promotion for K including , and or to K's site. The agreement states that K will pay you a commission of g dollars per sale. The second agreement you submitted is with J and states that you will earn a commission of e dollars for each referral. The majority of your revenue is from these commissions. In C, n% of your revenue was from these commissions and in D and F, h% of your revenue was from these commissions. You request feedback from Y users regarding the to learn if there are problems with the and to ensure the use of Y comports with the licensing and other requirements. You consider any reported problems when determining whether the will continue to be listed an that provides Y hosting.



also contains listings of organizations that provide Y services. The listings contain a description of services provided and a links to the organizations websites. B and U are both listed here.

## **Law**

Section 501(c)(3) of the Code exempts from federal income tax corporations organized and operated exclusively for charitable, educational, and scientific purposes, provided that no part of its net earnings inures to the benefit of any private shareholder or individual.

Section 1.501(c)(3)-1(a)(1) of the Income Tax Regulations ("regulations") provides that, in order to be exempt as an organization described in section 501(c)(3), an organization must be both organized and operated exclusively for one or more of the purposes specified in such section. If an organization fails to meet either the organizational test or the operational test, it is not exempt.

Section 1.501(c)(3)-1(c)(1) of the regulations provides that an organization will be regarded as "operated exclusively" for one or more exempt purposes only if it engages primarily in activities that accomplish one or more of such exempt purposes specified in section 501(c)(3). An organization will not be so regarded if more than an insubstantial part of its activities is not in furtherance of an exempt purpose.

Section 1.501(c)(3)-1(d)(2) of the regulations provides that the term charitable includes the relief of the poor and distressed and promotion of social welfare through charitable activities.

Section 1.501(c)(3)-1(d)(1)(ii) of the regulations provides that an organization is not organized or operated exclusively for one or more exempt purposes unless it serves a public rather than a private interest. Thus, to meet the requirement of this subdivision, it is necessary for an organization to establish that it is not organized or operated for the benefit of private interests such as designated individuals, the creator or his family, shareholders of the organization, or persons controlled, directly or indirectly, by such private interests.

Section 1.501(c)(3)-1(d)(3)(i) of the regulations define education as the instruction or training of the individual for the purpose of improving or developing his capabilities or the instruction of the public on subjects useful to the individual and beneficial to the community.

Section 1.501(c)(3)-1(d)(5)(i) of the regulations provides that an organization may meet the requirements of section 501(c)(3) only if it serves a public rather than a private interest. A 'scientific' organization must be organized and operated in the public interest. The term 'scientific' therefore includes the carrying on of scientific research in the public interest.

Section 1.501(c)(3)-1(d)(5)(ii) of the regulations provides that scientific research does not include activities of a type ordinarily carried on as an incident to commercial or industrial operations, as, for example, the ordinary testing or inspection of materials or products or the designing or construction of equipment, buildings, etc.



Section 1.501(c)(3)-1(d)(5)(iii) of the regulations provides, in part, that scientific research will be regarded as carried on in the public interest if the results of such research (including any patents, copyrights, processes, or formulae resulting from such research) are made available to the public on a nondiscriminatory basis and such research is directed toward benefiting the public.

Rev. Rul. 65-1, 1965-1 C.B. 226, determined that an organization which promotes and fosters the development and design of machinery in connection with a commercial operation and which has the power to sell, assign, and grant licenses with respect to its copyrights, trademarks, trade names, or patent rights was not exempt under section 501(c)(3). Specifically, the IRS found that any benefit to the public was indirect because the development and licensing of the new machine benefited those particular manufacturers.

Rev. Rul. 68-373, 1968-2 C.B. 206, states that a nonprofit organization primarily engaged in testing drugs for commercial pharmaceutical companies with all its income derived from pharmaceutical companies in payment for testing services does not qualify for exemption under section 501(c)(3) of the Code.

Rev. Rul. 74-116, 1974-1 C.B. 127, determined that an organization whose membership was limited to organizations that own, rent, or use a specific type of computer and whose activities are designed to keep members informed of current scientific and technical data of special interest to them as users of the computers was not exempt under section 501(c)(3) of the Code. The organization was devoted to developing and exchanging data among users of a specific type of computer. Furthermore, the organization served as a liaison between users and the manufacturer of the computer. The organization's activities in furtherance of this goal included conducting meetings and seminars to discuss problems relating to the use of the computer, publishing reports of its meetings and seminars for distribution to members, and publishing a monthly newsletter to inform members of current scientific and technical data of special interest to them. The organization was supported primarily by membership dues and seminar fees. The Service determined that, by making specialized information available to its members under these circumstances, the organization served the private interests of its members rather than a public interest and therefore failed to qualify under section 501(c)(3).

Rev. Rul. 76-442, 1976-2 C.B. 148, states that a nonprofit organization whose primary activity is the offering of free legal services for personal and estate planning to individuals who wish to make current and deferred gifts to charity as part of their overall tax and estate planning does not qualify for exemption under section 501(c)(3) of the Code.

In Better Business Bureau of Washington, D.C. v. United States, 326 U.S. 279 (1945), the Supreme Court determined that the presence of a single non-exempt purpose, if substantial in nature, will destroy exemption under section 501(c)(3) regardless of the number or importance of any other exempt purposes.

In B.S.W. Group, Inc. v. Commissioner, 70 T.C. 352 (1978), the court found that a corporation formed to provide consulting services was not exempt under section 501(c)(3) because its activities constituted the conduct of a trade or business that is ordinarily carried on by commercial ventures organized for profit. Its primary purpose was not charitable, educational, or scientific, but rather commercial. In addition, the court found that the organization's financing did not resemble that of the



typical 501(c)(3) organizations. It had not solicited, nor had it received, voluntary contributions from the public. Its only source of income was from fees from services, and those fees were set high enough to recoup all projected costs and to produce a profit. Moreover, it did not appear that the corporation ever planned to charge a fee less than "cost." And finally, the corporation did not limit its clientele to organizations that were section 501(c)(3) exempt organizations.

### **Application of law**

Section 1.501(c)(3)-1(a)(1) of the regulations provides that in order to be exempt as an organization described in section 501(c)(3), an organization must be both organized and operated exclusively for one or more of the purposes specified in such section. You do not satisfy the operational test requirement to be recognized as exempt under section 501(c)(3) of the Code. You were formed to foster and support the development of, access to, and adoption of Y as an open source , which is not an exempt purpose. The Supreme Court held in Better Business Bureau of Washington, D.C. v. United States that a single nonexempt purpose, if substantial in nature, would preclude an organization from qualifying under section 501(c)(3) no matter the number or importance of truly exempt purposes. Therefore, you are not described in section 1.501(c)(3)-1(c)(1) of the regulations because more than an insubstantial part of your activities further non-exempt purposes.

You are like the organization in Rev. Rul. 74-116. Your membership consists of individuals and organizations with programs and missions that are consistent with the purpose of Y. Your activities are directed at the development and promotion of Y for these members, including educating them on personalizing their use of Y through your or web site. This serves a special interest to your members and by providing this specialized information you serve the private interests of members rather than a public interest. Per section 1.501(c)(3)-1(d)(1)(ii) of the regulations, by serving the private interests of members you are not operated for exempt purposes.

Part of the purpose of your or your S are to showcase and promote the use of Y as a free and successful across a variety of fields. The educational components of these activities are incidental to your substantial non-exempt purpose of software development. Additionally, you cannot perform your educational activities without promoting Y. Therefore, your activities are not exclusively educational per Section 1.501(c)(3)-1(d)(3)(i) of the regulations and you do not engage primarily in activities that accomplish one or more exempt purposes.

As described in section 1.501(c)(3)-1(d)(2) of the regulations, your activities do not exclusively further charitable purposes. Like the organization in Rev. Rul. 76-442, you are providing an item, the use of Y, for free to the public. Although Y is available for free, the provision of goods or services to the public does not further a charitable purpose itself nor is Y directed toward benefitting a charitable class. As in Rev. Rul. 76-442, you are providing a commercially available product to individuals and businesses that can afford it. The fact that Y is available to everyone for free does not make it a charitable activity or one that promotes social welfare within the meaning of section 1.501(c)(3)-1(d)(2) of the regulations.

You state that you conduct scientific research. To qualify as a scientific organization under section 501(c)(3) of the Code, an organization must serve a public rather than a private interest. Section 1.501(c)(3)-1(d)(5)(i) of the regulations. Research gathered will be regarded as in the public interest if it is made available to the public on a nondiscriminatory basis and such research is directed toward



benefiting the public. Section 1.501(c)(3)-1(d)(5)(iii) of the regulations. Last, scientific research must not include activities of a type incident to commercial or industrial operations, such as the testing, inspection and design of products or equipment. Section 1.501(c)(3)-1(d)(5)(ii) of the regulations. Your activities are aimed at promoting the use of Y and connecting users and developers of Y, showcasing Y as a successful . As stated above, you are serving the private interests of members. Your research activities do not serve a public interest. Further, the initial Y software was previously owned by W. Part of your activities involve generating revenue through related to the use of Y. These are both indicative of the use of Y in a commercial manner. For the above reasons you do not meet the qualifications for conducting scientific research per the regulations.

You are working on improving the availability and quality of the Y software itself and of the free that are powered by the Y software. These activities can best be described as routine product development, which are a type incident to commercial operations. Your activities of developing and improving Y are also similar to the two organizations described in Rev. Ruls. 65-1, and 68-373, in that you are engaging in routine software design, development, testing, and distribution, similar to that which a commercial software company engages in to create new products or adapt their products to new uses in order to be competitive in the market. As such, your activities are similar to commercial operations and do not further a section 501(c)(3) scientific purpose.

Finally, like the organizations in Rev. Rul. 68-373 and B.S.W. Group, Inc. v. Commissioner, you are operating in a commercial manner by providing services for a fee, or commission, to . You have agreements with where . When results in a sale for the you receive a commission. The majority of your revenue comes from these commissions. Although may be there to provide information to the public about companies that specialize in Y hosting, they primarily serve the private interest of the . Per section 1.501(c)(3)-1(d)(1)(ii) of the regulations, by serving the private interests of the you are not operated exclusively for one or more exempt purposes.

### **Your position**

You state that you conduct scientific research in computer sciences and you further the scientific and educational understanding of the public through your support of Free and Open-Source Software (FOSS). Y is the FOSS that you develop and support and it can be used by anyone including individuals, commercial organizations, and other nonprofits. You only license Y under FOSS licenses which permit anyone to give the software away for free. You do not charge for the software. You do maintain certain intellectual property rights to the software to ensure that it remains free.

Additionally, one of your principal missions is to support and organize development of Y by volunteers around the world. You organize conferences and where computer programmers, as volunteers, work together to develop software. You also run and support a free, public community forum in which users and developers of Y assist each other, at no cost, in setting up Y, using it, and continuing its development. All such activities (other than the nominally priced conferences) are provided free to the public at large.

You state that developing and managing research into the creation of , providing educational resources to further that mission, and making the results of this work available



for free to the general public constitutes scientific research that is in the public interest. You also state,

In computer science, the principal method of practice of the scientific method – the design, development, and subsequent testing of software – constitutes research in that science. And an entity that performs and supports this research, and that continually releases its methods and results to the public for free, cannot be denied exemption under Section 501(c)(3) simply because one of the natural products of computer-science research is computer software. This is especially so when that software is wholly governed by FOSS licenses, which prevent restriction to only commercial entities and ensure the research is continually and freely available to the public.

You also state that the organization cannot be denied exemption under Section 501(c)(3) simply because commercial entities may take advantage of research that is freely available to the public.

You indicate that your fundraising activities include referring users of Y to the few that specialize (or even offer) hosting of Y. As a result of these referrals, which are publically disclosed, you receive payments from the . You provide that this service furthers your exempt purposes indirectly, via fundraising, and directly by connecting potential users of your research with hosts to make Y work. You state that you use the funds received from the purely for exempt purposes.

You also discuss the special dispensation that one of the original developers of Y be a member of your board and state that this board member does not receive any financial compensation for his membership. Other than his fiduciary duties as a member of the Board of Directors, that board member no longer exercises any authority or influence in the development or governance of the software. You are open to altering or terminating this relationship if needed. In addition, U and W have terminated all support and collaborative development of Y so your ongoing connections to for-profits are nonexistent.

### **Our response to your position**

You are not formed exclusively for charitable, educational and scientific purposes as the promotion and development of Y does not exclusively fulfill a 501(c)(3) purpose. Although some of your activities do involve providing education, your activities are not exclusively educational. As described above in Rev. Rul. 74-116, it was determined that the organization served the private interests of its members rather than a public interest by developing and exchanging data among users of a specific type of computer. You are similar as you are providing similar services to the users and developers of Y. Additionally, the agreements you have with the result in substantial private benefit to the . Therefore, you do not qualify for exemption under section 501(c)(3) of the Code.

### **Conclusion**

You are not organized and operated exclusively for one or more exempt purposes under section 501(c)(3) of the Code. Your activities are not exclusively educational or charitable and you do not meet the qualifications for a scientific research organization under 501(c)(3). You further the interests of both your members and ISPs rather than the public. Therefore, you do not qualify for exemption under section 501(c)(3) of the Code.



**If you don't agree**

You have a right to file a protest if you don't agree with our proposed adverse determination. To do so, you must send a statement to us within 30 days of the date of this letter. The statement must include:

- Your name, address, employer identification number (EIN), and a daytime phone number
- A copy of this letter highlighting the findings you disagree with
- An explanation of why you disagree, including any supporting documents
- The law or authority, if any, you are relying on
- The signature of an officer, director, trustee, or other official who is authorized to sign for the organization, or your authorized representative
- One of the following declarations:

**For an officer, director, trustee, or other official who is authorized to sign for the organization:**

Under penalties of perjury, I declare that I examined this protest statement, including accompanying documents, and to the best of my knowledge and belief, the statement contains all relevant facts and such facts are true, correct, and complete.

**For authorized representatives:**

Under penalties of perjury, I declare that I prepared this protest statement, including accompanying documents, and to the best of my knowledge and belief, the statement contains all relevant facts and such facts are true, correct, and complete.

Your representative (attorney, certified public accountant, or other individual enrolled to practice before the IRS) must file a Form 2848, *Power of Attorney and Declaration of Representative*, with us if he or she hasn't already done so. You can find more information about representation in Publication 947, *Practice Before the IRS and Power of Attorney*.

We'll review your protest statement and decide if you provided a basis for us to reconsider our determination. If so, we'll continue to process your case considering the information you provided. If you haven't provided a basis for reconsideration, we'll forward your case to the Office of Appeals and notify you. You can find more information about the role of the Appeals Office in Publication 892, *How to Appeal an IRS Decision on Tax-Exempt Status*.

If you don't file a protest within 30 days, you can't seek a declaratory judgment in court at a later date because the law requires that you use the IRS administrative process first (Section 7428(b)(2) of the Code).

**Where to send your protest**

Please send your protest statement, Form 2848, if needed, and any supporting documents to the applicable address:

U.S. mail:

Internal Revenue Service  
EO Determinations Quality Assurance  
Room 7-008  
P.O. Box 2508  
Cincinnati, OH 45201

Street address for delivery service:

Internal Revenue Service  
EO Determinations Quality Assurance  
550 Main Street, Room 7-008  
Cincinnati, OH 45202

You can also fax your statement and supporting documents to the fax number listed at the top of this letter. If you fax your statement, please contact the person listed at the top of this letter to confirm that he or she received it.

**If you agree**

If you agree with our proposed adverse determination, you don't need to do anything. If we don't hear from you within 30 days, we'll issue a final adverse determination letter. That letter will provide information on your income tax filing requirements.

You can find all forms and publications mentioned in this letter on our website at [www.irs.gov/formspubs](http://www.irs.gov/formspubs). If you have questions, you can contact the person listed at the top of this letter.

We sent a copy of this letter to your representative as indicated in your power of attorney.

Sincerely,

Jeffrey I. Cooper  
Director, Exempt Organizations  
Rulings and Agreements

Enclosure:  
Publication 892

[cc: .]